



**According to the
Columbus Board of
Realtors:**

- 26,660 homes in were sold in Central Ohio in 2004
- The average sale price of the homes sold was \$170,522
- More than 60% of the homes were sold for under \$125,000
- As interest rates remain relatively low for the moment, and more affordable homes are listed, homeownership opportunities are excellent

Getting Ready to be a Homeowner

Owning a home of one's own is the American Dream. The National Association of Realtors conducted a study, and 87% of Americans said homeownership is the number one criterion for defining "the good life." Yet it can often be a long, difficult journey to homeownership. For many it is a dream that seems out of reach. With careful planning and preparation, however, homeownership is closer than you think.

Steps to Homeownership: Can you afford it?

Before you become a homeowner, you need to decide if you can afford to buy a home. Although a home is a solid investment, renting may make more sense depending on your economic circumstances. Expenses to consider:

- Mortgage payment
- Homeowners insurance
- Real estate taxes
- Utilities
- Maintenance and upkeep
- Home furnishings
- Repairs

In addition to these expenses, you still have to be able to pay your other bills as well. To figure out a budget, remember to include groceries, laundry/dry cleaning, medical bills/prescriptions, credit card bills, child care, and entertainment.

You should chart your current expenses for a month and try to start a savings account for your new house. A variety of expenses will need to be covered, such as:

- Down payment on the house.
- Closing costs.
- Inspection fees.
- Realtor fees/commission.

Owning a home is an expensive and never-ending adventure. Go over your finances and weigh the pros and cons before you decide to take the plunge. It is much harder to get out of a house mortgage than a rental agreement.

How's Your Credit?

If you decide to buy a home, next review your credit score. If you have a good credit history, when you apply for a mortgage you will be eligible for a lower

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rate of interest. This means big dollar savings. One credit source states that the interest rate offered to a person with a score of 720 is 3.45% lower than the rate offered to a person with a score of 520. That adds up to a lot of money: Bankrate.com states that on a 30-year mortgage for \$100,000, the difference works out to **more than \$85,000 in extra interest!** (Check our Treasurer's Tips on Credit Scores.)

Homebuyer Education

The Columbus Housing Partnership offers 8 hours of homebuyer education to prepare you for homeownership. Classes teach about credit scores, mortgages, realtors, and closing on a property. For more information, call them at 614-221-8889 or visit their website at: www.chpcolumbus.org.

Downpayment Assistance

Several local agencies offer financial help with your down payment. Programs include:

- AmeriDream www.ameridream.org
- Ohio Housing Finance Agency www.odod.state.oh.us/ohfa

Useful Resources

Columbus Board of Realtors www.columbusrealtors.com

Mortgage Bankers Association www.mbaa.org

Ohio Department of Commerce <https://www.com.state.oh.us/real/scripts/information.htm>

Consumer Credit Counseling www.cccservices.com